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The essence and importance of the tourism market. Case of Uzbekistan

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ABSTRACT

The paper objectives to investigate the status and growth of tourism in Central Asian countries using the sample of Uzbekistan tourism industry with superior reference to country's tourism infrastructure sectors. Tourism market is considered as a major feature of development. On this case, present essential interest and potential for Uzbekistan is believed as a high one. This article makes an overview of the current status of tourism industry with the aim of finding out the strategy for developing a program that enhances the strengths of tourism services and products as whole. The results serve to point out key trends and gaps in which to focus future research on this topic and they might be useful in formulating public policies and strategies for tourism industry development.

Keywords: Tourism market, infrastructure development, Central Asia, Innovative technology, Silk Road, Tourism destination

1. INTRODUCTION

Over the decades, tourism has experienced, continued growth and deepening diversification to become one of the fastest growing economic sectors in the world. Modern tourism is closely linked to development and encompasses growing several new destinations. Tourism has become one of the major players in international commerce, and also represents at the same time one of the main income sources for many developing

countries. Moreover, the contribution of tourism to economic well-being relies on the quality and the revenues of the tourism offer («UNWTO Annual Report 2013», 2014). According to the World Travel and Tourism Council, the total contribution of Travel & Tourism to GDP (Gross Domestic Product) was \$6,630.4 billion (9.3% of GDP) in 2012, and is forecast to rise by 4.4% in 2023. Furthermore, in 2012, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry, was 8.7% of total global employment and this is expected to rise by 2.4% to 337,819,000 jobs in 2023 (Yearbook of Tourism Statistics., 2014). Over the past several decades, international tourism has been steadily increasing, as well as the importance of the tourism industry for the economy of many countries. Today, the business volume of tourism equals or even surpasses that of oil exports, food products or automobiles. Tourism has become one of the major players in international commerce, and represents at the same time one of the main income sources for many developing countries (Alegre & Garau, 2010; Binkhorst & Den Dekker, 2009).

Since the break-up of the Soviet Union in 1991, the former Soviet Asian States (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan) present important opportunities to become a major tourist destination in the way of unique cultural, historical, archeological, and natural attractions. After becoming independent, the policy and model of tourism development in these countries was mainly based on improving tourism infrastructure (Au, Law, & Buhalis, 2010; Bakhtishodovich et al., 2015).

Well-located World Heritage sites of Central Asian States, amusing history of medieval scientists, and undiscovered nature of people make attractive for visitors from all over the world. A vital factor in the history of the southern part of the region was its location astride the most direct trade route between China and Europe, the so-called Silk Route which began to be developed in the Roman times (Kemal Kantarci, Muzaffer Uysal, & Vincent P. Magnini, 2014). Countries like Kazakhstan, Kyrgyzstan, Turkmenistan, Uzbekistan, and Tajikistan contain a marvelous and rich untapped tourism interest that has great potential to organize different type of uncommon accomplishments («Central Asia: Problems and Perspectives of International Tourism: Slavomír Horák», 2014).

As a major Silk Road tourist destination, country possesses exotic tourist potential, distinct monuments of prehistoric times with unique natural landscapes that may main role to become one of the principal tourist states on the globe. That is why much attention is devoted in Uzbekistan to the development of tourism and expansion of corresponding infrastructure as one of the priority directions of the nation's socio-economic development (Knobloch, 2013).

As independent country, Uzbekistan needs to foster its magnetism as a medieval center and intellectual origin due in part to scholars, philosophers and cultural leaders such as Al-Farabi, Avicenna, Ulugbek, Navoiy, Baburshah and Tamerlane. They have a great contribution to world culture and sciences of mankind which vividly shown in numerous and included works, such as «Canon of Medicine» of Avicenna, «Fundamentals of Astronomy» of Alfraganus, «Baburnama» of Baburshah, and «Divans» of Navaiy which provide imagination of education in the history of the Middle Age's lifestyle, culture, tradition and so on.

In addition, Uzbekistan maintained trade, intellectual and religious contacts with South Asia, the Middle East and Europe. The oasis towns of Samarkand, Bukhara, Khiva, and Tashkent mark the famous «Silk Road» over which caravans took the products of Europe to exchange for those of Asia. The 2500th anniversaries of the ancient cities Bukhara and Khiva and 2750th of Samarkand that once was capital city of great Tamerlane make interest of tourists globally.

These days, tourism is considered as one of the most developing sector of economy while integrating with the following factored fields (Figure 1).

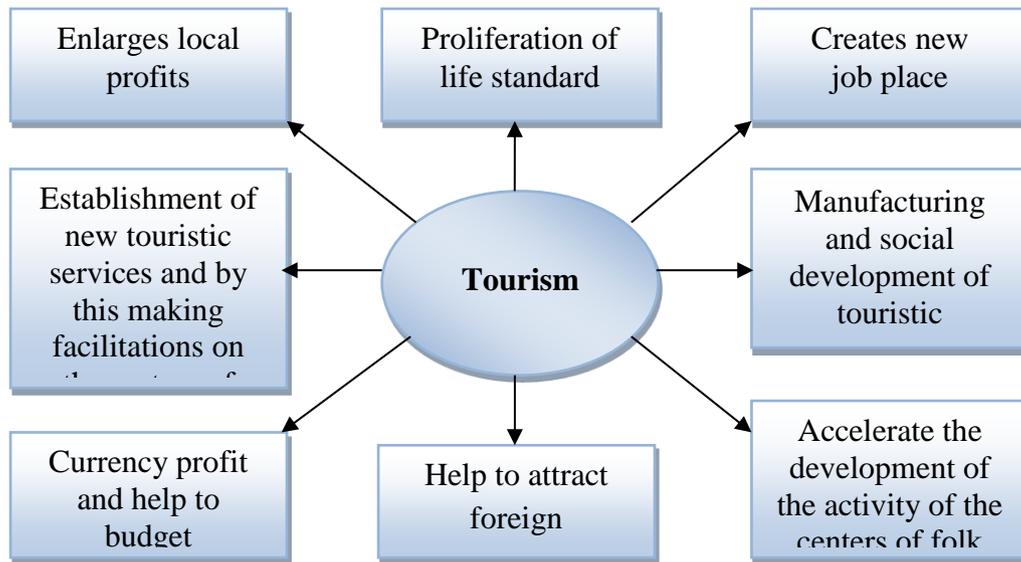


Figure 1. Development of tourism in the socio-economic factors

Figure 1, illustrates the major points of development while considering socio-economic factors. Tourism market and economic entities (agents, tour agency) has created the opportunity to purchase the product and the activity of customers who need to destroy the place. Thus, the creator of the tourism market tourism products and its consumers, tourists, tour agency, creating the economic relations between the tour operators to describe the process as desirable. Tourist services market is characterized by the nature of its functions. You can specify the following as the main objectives of the tourist market (Figure 2):

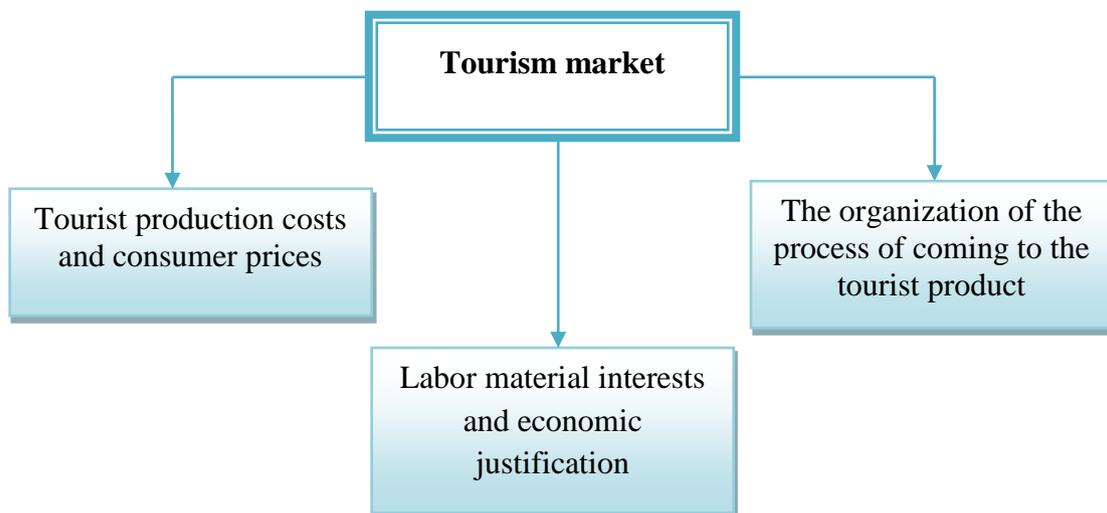


Figure 2. The main objectives of the tourist market

Tourist services to meet the needs of tourists and services aimed at providing a set of targeted actions in the field of character for the purposes of tourism and tourist services of any orientation should not be against the principles of universal answer. According to the standard definition of tourism, services to meet the needs of the tourists in the tourism product of the activities of organizations involved in activities (Bhatia, 2006; Bosangit, McCabe, & Hibbert, 2009).

Classification of tourism services

- tourists;
- tourists' place of residence (country) to a temporary location (country), and backward movement;
- tourists, food services (restaurants, cafes, bars);
- excursion service (an interpreter and guide service);
- advertising services (travel routes of travel companies, means of transport and the place was busy);
- tourist and cultural needs (excursions, theaters, concert halls, museums, galleries, historical and cultural monuments, theme parks, amusement parks, reserves, festivals, sporting events and visits, etc.);
- meet the needs of the business and scientific (congresses, conferences, symposia, meetings, seminars, festivals, exhibitions and participate etc.);
- Information services (or that of tourist resources of the region, customs and border formalism, exchange rates, transport, information on prices, etc.);
- means of communication (Internet, long-distance and international communications, fax, and other means of communication);
- other services (passport and visa, insurance, tour guide service, etc.);
- public and private areas of commercial services (souvenirs, gifts, greeting cards, and etc.);
- brokerage services (hotels areas, different types of transport tickets in order to bring documents and letters, buy souvenirs and gifts);
- household services (clothing and footwear repair, cleaning chemicals, hire etc.);
- sports and recreation facilities (sports facilities, licenses for hunting etc.);
- the natural, historical and cultural heritage;
- tourist insurance and medical care;
- foreign individuals and organizations of all tourist.

If we carefully monitor the process of tourist services, tourism organizers (tour operators and travel agents) with the service, but they are based on the needs of tourists, tourism product development, and their various combinations of the agreement, and in return they will receive a reward in the form of interest. As a result, the organizers of the tourism intermediary between tourists and service providers confinement. What are the organizers of the tourism trade and tourists who purchase travel vouchers or tickets will be able to direct what? 'Question. If this process is carefully examined, the tourists set the ticket this time the tourist will have the right to use the service. Tourist ticket (voucher) is part of a group of tourists or tourists round the rights of tourist services and proof of such services.

2. PART OF THE TOURISM PRODUCT AND ITS FEATURES

Travel expenses structure (see Figure 3), tourist travel expenses for an average of 50% of the unction (tourpackage), 30 per cent of the purchase of additional tourist services, while 20 percent of trade (buying: souvenirs and gifts) spend. It seems that the main basis of the cost of tourist services if additional services for tourists at the pool most of the time.

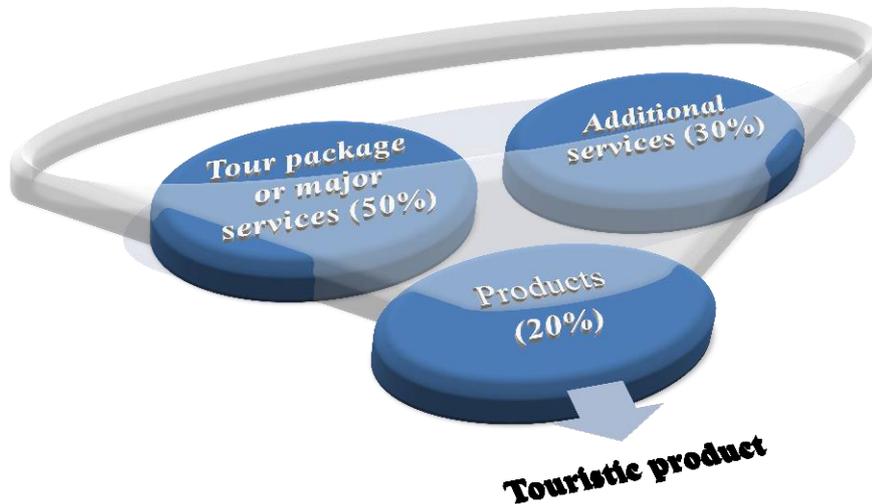


Figure 3. Content on travel expenses of tour product

In addition to tourists of intangible services the provision of financial services or products, for example, a city map, subway map, souvenirs, travel, equipment, and so on. Take in general, can be a part of the tourism product are as follows (Figure 3):

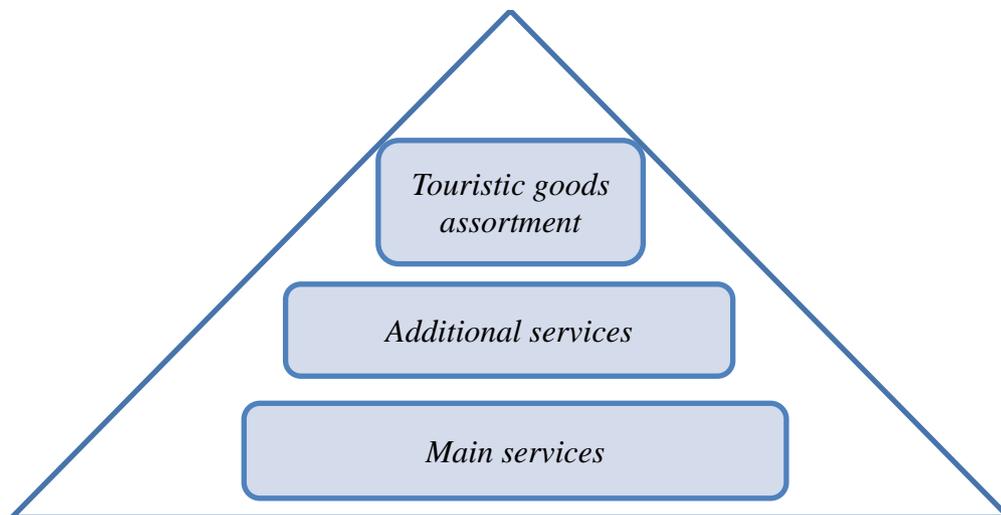


Figure 4. Structure of touristic product

The tourist product consists of a reduction of the general trend of the bundle. Competition agencies on the one hand and the desire to offer significantly lower prices on the market in Turkey. On the other hand, in the tourism product anticipation, tourists should also take into account the psychology of the very important factor of independence in their choice of consumer services. Therefore, the main tourist services and complementary services department (Figure 5).

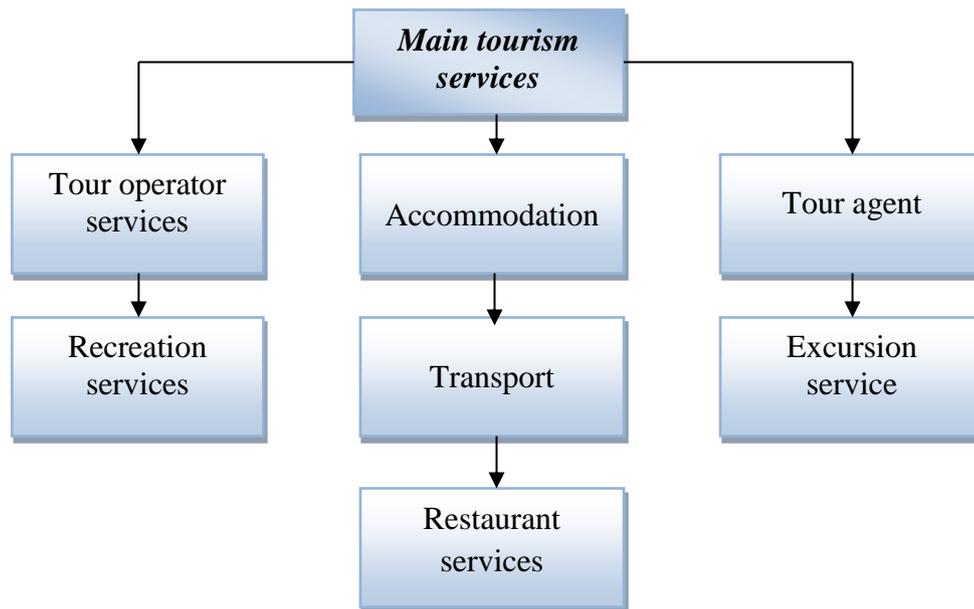


Figure 5. Major touristic services (Khan, 2016)

Tourism Infrastructure

Today, international tourist arrivals grew by 5% in 2013 to 1.087 billion, 6% of world exports, 9% of GDP and great deals of employees are in sector of tourism in globally. The role of tourism is a worthwhile prerequisite for the Uzbekistan tourism industry to prepare country for more intensive development.

For this reason, a vast amount of attention is dedicated in Uzbekistan to the tourism advancement and expansion of corresponding infrastructure as one of the priority instructions of the socio-economic deployment of the state. After endorsed in 2013 of the Programs of Tourism Development in Khorezm, Surkhandarya, Tashkent and Kashkadarya provinces, begins new era in the development of national tourism. It is noticeable that, more than US \$260 million is invested to implement in these regions, which have a considerable tourist potential (Ruziev & Majidov, 2013).

Hence, directions provided by these programs highlight main ways of organization of projects in order to enhance infrastructure of tourism industry, for instance improvements of engineering facilities by the reconstructing of roads which connect most popular tourist zones all over the state and establishing hotels, restaurants for tourists of different economic prosperity. Remarkably, public and private support in hospitality sector, foresee it's results a sophisticated package of honours for project stakeholders.

Yet, a specific proportion of job is being done to this direction. A series of new accommodations, restaurants and other tourist centres have been erected and number existing ones have been reassembled entire of the country. Besides, the foundation of many new sides is in the creation, and a variety of cultural programmes are introduced for both local and foreign visitors. Wi-Fi communication is implemented in majority of centres of tourism in the state's historical towns and main tourist sightseeing places. Following the current popular tourist routes, many new one are formed in the Republic.

Objectively assessing the situation, it should be noted that government pays considerable attention to the development of tourism. During the years of independent development in Uzbekistan established a legal framework and tourism infrastructure. Today, in the tourism operate more than 900 organizations and companies that have a license for tourist activity (subjects of tourist activity), of which 500 hotels, 371 - travel agencies (tour operators and travel agents), with about 90% of tourism organizations and companies related to the private sector, that affects the formation of a competitive environment in the tourism system to provide tourist services. Air gateway international airports are operating in Tashkent, Samarkand, Bukhara, Urgench, Nukus and Navaiy.

Accommodation services

Accommodation facilities constitute a vital and fundamental part of tourist supply and important feature of total tourist image of a country. A lot of countries have recognized a vital importance of hotel industry in relation to tourism and have coordinated their activities with the industry by way of providing attractive incentives and concessions to suppliers of tourism accommodation which have resulted in the building up various types of hospitality services. (Bhatia, 2006; Go & Jenkins, 1997; Qu, Kim, & Im, 2011)

Recognizing the key point of accommodation sector in the tourism industry, Uzbekistan hotel industry have established different hospitality facilities and it consists of more than 500 hotels with different forms of ownership. Prior to the annual meeting of the European Bank for Reconstruction and Development, due to the insufficient number of hotels to accommodate all foreign delegates in Tashkent, the Uzbek government started the development of hotels, which involved the construction of new hotels and the reconstruction of old style hotels.

As a result, a number of luxury international standard hotels appeared in almost all regions of country. Nowadays, the level of privatisation in travel accommodation sector in Uzbekistan is around 97%, whereas at the beginning of independence all properties were fully state-owned. A large number of luxury hotels are either fully-owned or partially owned by the state. For the last three years the government has failed to sell its shares in the hotels Dedeman Silk Road (39%), Grand Mir (35%), Hotel Uzbekistan (58%) and Hotel Markaziy (100%). Due to need of modernization and integration of new way of management, Hotel Registan (Samarkand), Hotel Afrosiyob Palace (Samarkand), Bukhara Palace (Bukhara) and Hotel Shakhrisabz Star (Shakhrisabz) has made modifications both in technical and industrial way.

The common trend in recent years in hotel accommodation in Uzbekistan was the growth in the number of small, privately-owned hotels. Today, the majority of such hotels have on average 50 or more rooms. The attractiveness of building small-sized hotels for the private sector is the amount of investment required to build, the high occupancy rate and relatively low cost of operation. These outlets initially appeared as an alternative to their

international standard counterparts with its traditional design, modern administrative style, cosy and sizeable rooms.

Despite the competition from private hotels, luxury hotels are also gaining popularity amongst business travellers. Uzbekistan, by becoming more open to international trade and investment, runs quite a large number of MICE events, the majority of which take place in Tashkent. During the tough times and high competition, such hotels learned to provide additional services such as spas, fitness and MICE facilities, transportation services, tours and many others

Transportation

The rapid development of the economic share and foreign trade of Uzbekistan made the rapid improvement of the transport system and the intensification of the transit potential and diversification of the international transport corridors that also vital factor for tourism sector as a main. Over the past 23 years, since Uzbekistan gained its independence, the regularity of main transport facilities, such as air and railway systems, by the formation of costs, have increased exponentially number of visitor for both inner and outer purposes. On this basis, implementing of new technologies on transport facilities, such as commencement of Afrasiab high-speed train, produced by Spanish «Talgo» and operating between Tashkent and Samarkand as well as Afsona train which challenge individual requests from tourist agencies, has facilitated by latest equipment and make arduous work to improve transport system.

As the first high-speed line in Central Asia, it has contributed to the modernisation and economic deployment of the country. Furthermore, according to plans proposed by the national railway company of Uzbekistan, in the nearer future will extend to some other regions of country, such as Bukhara and Khiva, as a result of the project which mentioned above, main ancient cities of Uzbekistan will be connected with contemporary transport system and will served as a promotion of new tour products for traveller of all range. From information provided by head of Uzbekistan Railways, it can be noticed that State will spend US \$4 billion for further advancement of railway system in country by 2015 and as one of the major railway corridor of Asia Uzbekistan has started to establish 230 km of railway which connect Afghanistan, Pakistan and Iran with Republic.

The main step of implementing this project has done in October 2012, when two competent bodies of Uzbekistan and Iran on this sphere signed a memorandum of cooperation in developing existing and establishing new railway links between two countries. In addition to this, Uzbekistan will electrify about 1,000 km of railways, according to the Investment Plan 2011-2015. In August 2011 finally has considered the 75 km railway line which connect Uzbek Hairatan city with Mazar-i-Sharif in Afghanistan. Developed by Uzbekistan Railways, this line was focused only on freight traffic and anticipated organizing passenger carrying in the short-term perspective.

Moreover, Uzbekistan Railways plans to build railways to link the national network to other two Afghan cities, Kabul (the capital) and Kandahar. Moreover, the modernisation of the 356-km line to allow trains to run at higher speeds has required investments of USD 100 Million (EUR 71 Million). The project has also included investments in the modernisation of railway stations. The new trains reduce three times the current 3.5-hour travel time that could be replaced with other tourism products in Uzbekistan. It is obviously can be faced that, in the Republic of Uzbekistan up-to-date means of transport industry, such as cars, buses and taxis, trams, trolleys, subways, monorails are underlined as an some example of them.

3. CONCLUSIONS

As tourism stimulates infrastructure development of the country, has a strong multiplication effect and helps diversify the economy, supports local culture and crafts and environmental protection, it is very actual for the Republic of Uzbekistan with its transitional economy, moreover it is important as Uzbekistan is a country with vast capabilities in tourism. The travel and tourism industry is a leading export industry in worldwide, Central Asian countries could contribute considerable as well.

Moreover, with vast underused capabilities in tourism and diversity of tourist attractions represent the potential of tourism in these tourism destinations. Location of the area, corridors on the Great Silk Road, with cities which were main points of trade, make destination attractive one for the flow of tourists globally. Accessibility of various tourism types, distinct traditions and unique cultural background of Central Asia has considered as one of the main key factor tourism and hospitality businesses.

After have been establishing and implying global experience, the attractiveness of tourism estimated to become as one of the crucial one in the Central Asian destination. Furthermore, the optimization of visa facilities has listed as one of the main advancement of tourism policy by the UNWTO research group.

As one of the main Silk Road tourism destination, Central Asian states have great potential to advance sector of hospitality and tourism that create a lot of promotions for different spheres. In the other perspective, tourism sector in Central Asia has already established and its policy has led to some fundamentals improvements in the last 20 years. Further investigations and explorations may be addressed to identify obstacles of the industry by learning all its sub-sectors.

In briefly, Central Asian states, such as Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan, and Uzbekistan have great potential of tourism deployment as whole. Established policies and conducted measurements in counties have made already its results. Upcoming diversifications and modernizations in the industry may contribute exponentially for the economies of the Central Asian countries.

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